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TAX EDGE

Monthly Tax &
Regulatory Updates



Tax • Regulatory • Assurance • Legal

July 2025

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Contents

01

Goods & Services Tax ('GST')

02

Direct tax

03

International tax

04

Corporate Law & Regulatory

05

Compliance calendar

Goods & Services Tax ('GST')



GST revenue collection for June 2025 Rs. 1,84,597 crore (6.2% higher than GST revenue in June 2024)

IGST (Integrated Goods and Services Tax)	Rs. 93,280 Crore
CGST (Central Goods and Services Tax)	Rs. 34,558 Crore
SGST (State Goods and Services Tax)	Rs. 43,268 Crore
Compensation cess	Rs. 13,491 Crore
Total	Rs. 1,84,597 Crore

The gross GST collection for June 2025 stood at Rs. 1.85 lakh crore, representing a 6.2% year-on-year growth, driven by a consistent increase in domestic transactions (4.6%) and strong increase in imports (11.4%). After considering refunds, the net GST revenue for June 2025 stood at Rs. 1.59 lakh crore, reflecting a growth of 3.3 % compared to the same period last year.

Please [Click Here](#) to read the revenue report dated 1 July 2025 released by the GST Network.



GST Network (GSTN) issues advisory regarding notices in Form GSTR-3A issued to cancelled composition taxpayers for non-filing of composition return in Form GSTR 4

As per section 39(2) of the CGST Act, 2017, read with Rule 68 of the CGST Rules, 2017, notices in Form GSTR-3A are required to be issued in cases of non-filing of Form GSTR-4.

Reportedly, it has come to the notice of GST department that due to a system-related glitch, such notices have been inadvertently issued in certain cases where they were not applicable including instances involving taxpayers whose registrations had been cancelled prior to the Financial Year (FY) 2024–25.

Form GSTR-3A [See rule 68]

Reference No:
To

Date: 25/03/2025

Notice to return defaulter u/s 46 for not filing return

Tax Period: February, 2024-25

Type of Return: GSTR-3B

1. Being a registered taxpayer, you are required to furnish return for the supplies made or received and to discharge resultant tax liability for the aforesaid tax period by due date. It has been noticed that you have not filed the said return till date.
2. You are, therefore, requested to furnish the said return within 15 days failing which the tax liability may be assessed u/s 62 of the Act, based on the relevant material available with this office. Please note that in addition to tax so assessed, you will also be liable to pay interest and penalty as per provisions of the Act.
3. Please note that no further communication will be issued for assessing the liability.
4. The notice shall be deemed to have been withdrawn in case the return referred above, is filed by you before issue of the assessment order.
5. This is a system generated notice and will not require signature.



The issue is currently under examination and the technical team of GST department is implementing appropriate corrective measures to ensure that such instances do not recur. In the meantime, taxpayers who have either duly filed the relevant return or whose registrations were cancelled prior to the FY 2024-25 have been advised to ignore these notices, as no further action is required on their part in such cases.

For any other issues or concerns, taxpayers have been advised to raise a grievance through the Self-Service Portal available on the GST website along with all relevant details, to facilitate prompt and effective resolution.

Please [Click Here](#) to read the advisory dated 20 July 2025 issued by GSTN.

GSTN issues advisory on reporting values in Table 3.2 of Form GSTR-3B (Summary Return)

Background

Table 3.2 of Form GSTR-3B captures inter-state outward supplies made to:

- Unregistered persons
- Composition scheme taxpayers
- Unique Identification Number (UIN) holders

These values are drawn from the corresponding entries in Table 3.1 and 3.1.1 of the same return form.

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DashboardReturnsGSTR-3BInter-state SuppliesEnglish

3.2 Of the supplies shown in 3.1(a) and 3.1.1(i), details of inter-state supplies made to unregistered persons, composition taxable persons and UIN holdersHelp

Supplies made to Unregistered Persons


	Place of Supply (State/UT)	Total Taxable value (₹)	Amount of Integrated Tax (₹)
	Select	0.00	0.00

ADDREMOVE

Supplies made to Composition Taxable Persons+

Supplies made to UIN holders+

CANCELCONFIRM

 **Goods and Services Tax**
Government of India, States and Union Territories

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DashboardReturnsGSTR-3BEnglish

GSTR-3B - Monthly ReturnFacilitation in filing GSTR-3B

GSTIN -Legal Name -Status - Filed

FY - 2024-25Return Period - MarchDue Date - 20/04/2025

Click here for system generated summary status for GSTR-3B.Help Manual

3.1 Tax on outward and reverse charge inward supplies

Integrated Tax	Central Tax
₹-89,407.00	₹0.00
State/UT Tax	CESS (₹)
₹0.00	₹0.00

3.1.1 Supplies notified under section 9(5) of the CGST Act, 2017

Integrated Tax	Central Tax
₹0.00	₹0.00
State/UT Tax	CESS (₹)
₹0.00	₹0.00

3.2 Inter-state supplies

Taxable Value	Integrated Tax
₹0.00	₹0.00

Advisory on reporting values in Table 3.2 of Form GSTR-3B

As per GSTN's advisory issued on 11 April 2025, GSTN had announced that from April 2025 tax period, inter-State supplies auto-populated in Table 3.2 of GSTR-3B on the GST portal would be made non-editable and Form GSTR-3B must be filed with system-generated values only.

However, due to several representations received from taxpayers citing difficulties in filing GSTR-3B, the implementation of this functionality was deferred earlier and table 3.2 was made editable in the interest of taxpayer's convenience and smooth filing of Form GSTR-3B. It may be noted that the changes mentioned in para 1, making the auto populated liabilities in table 3.2 non-editable shall be re-introduced on the GST portal from July 2025 tax period. In case any modification / amendment is required in auto-populated values of Table 3.2 of Form GSTR-3B, the same can be carried out by amending the corresponding values in respective tables of Form GSTR-1A (amendment to Form GSTR1) or through Form GSTR-1 (Outward Supply Return) / Invoice Furnishing Facility (IFF) filed for subsequent tax periods.

To ensure that Form GSTR-3B is filed accurately with the correct values of inter-state supplies, it is advised to report the correct values in Form GSTR-1, GSTR-1A, or IFF. This will ensure the auto-populated values in Table 3.2 of GSTR-3B are accurate and compliant with GST regulations.

Frequently Asked Questions (FAQs) issued by GSTN

- *What are the changes related to reporting supplies in Table 3.2?*

Starting from July 2025 tax period, the auto-populated values in Table 3.2 of GSTR-3B for inter-state supplies made to unregistered persons, composition taxpayers and UIN holders will be non-editable. Taxpayers will need to file Form GSTR-3B with the auto-populated values generated by the system only.

- *How can I rectify values in Table 3.2 of Form GSTR-3B if incorrect values have been auto-populated after July 2025 period onwards due to incorrect reporting of the same through Form GSTR-1?*

If incorrect values are auto-populated in Table 3.2 after July 2025, taxpayers need to correct the values by making amendments through Form GSTR-1A or through Form GSTR-1/IFF filed for subsequent tax periods.

- *What should I do to ensure accurate reporting in Table 3.2 of GSTR-3B?*

Taxpayers should ensure that the inter-state supplies are reported correctly in their Form GSTR-1, GSTR-1A, or IFF. This will ensure that the accurate values are auto-populated in Table 3.2 of Form GSTR-3B.

- *Till what time / date can I amend values furnished in GSTR-1 through Form GSTR-1A?*

As there is no cut-off date for filing Form GSTR-1A before Form GSTR-3B which means Form GSTR-1A can be filed after filing Form GSTR-1 and till the time of filing Form GSTR-3B. Hence, any amendment required in auto-populated values of table 3.2, same can be carried out through Form GSTR-1A till the moment of filing Form GSTR-3B.

Please [Click Here](#) to read the advisory dated 19 July 2025 issued by GSTN.

Taxpayer advisory on upcoming security enhancements

The GST System is being continuously enhanced to strengthen data security and improve transparency to the taxpayers. In this effort, the below mentioned enhancement is expected to be shortly introduced to provide transparency and control to taxpayers who interact with the GST System using Application Suvidha Providers (ASP). The ASPs use GST System authorised API channel partners that are called GST Suvidha Providers (GSP). The role of a GSP is to provide API access between GST System and ASP.

- Email and SMS notification service to inform taxpayer upon every successful One Time Password (OTP) consent access provided by taxpayer to the ASP. The taxpayers authorized signatory shall receive notification via email and/or SMS whenever ASP successfully obtains their consent, by providing OTP from the GST System, to access their data over APIs. The notification would have following details:
 - ✓ Name of the ASP and the underlying GSP
 - ✓ Date and Time of the OTP Consent
 - ✓ Validity Period of the consent
- The GST common portal is being further enhanced to provide view of current and historic access gained by ASP / GSP and enable taxpayers with an option to revoke any active consent. The taxpayer shall be able to access this after logging to their GST common portal dashboard.

The exact dates, when the above functionalities will become available, shall be published vide respective advisories.

Please [Click Here](#) to read the advisory dated 17 July 2025 issued by GSTN.



GSTN Portal is now enabled to file appeal against waiver order (SPL 07)

Background

For reducing tax disputes and to provide relief to taxpayers, GST Council in its 53rd meeting held on 22 June 2024 had recommended waiver of interest and penalties in the demand notices or orders issued u/s 73 of the CGST Act, 2017 (i.e. cases not involving fraud, suppression or wilful misstatement, etc.) for the FYs 2017-18, 2018-19 and 2019-20. To avail this waiver, the condition is that the full tax demanded must have been paid on or before 31 March 2025.

In view of the above, Rule 164 of CGST rules, 2017 was notified through Notification no. 20/2024 dated 8 October 2024, effective from 1 November 2024 onwards. This rule provides procedural guidelines for the said waiver scheme. As per the waiver scheme, if a notice or order is issued u/s 73 for the FYs 2017-18, 2018-19 and 2019-20, the taxpayer is required to file an application in Form GST SPL-01 or Form GST SPL-02, respectively on the common portal within 3 months from notified date, i.e., 31 March 2025.

Advisory issued by GSTN

Taxpayers who have filed waiver applications in Forms SPL 01 / SPL 02 are receiving orders from the jurisdictional authorities:

- Acceptance Order in SPL-05, or
- Rejection Order in SPL-07

The GST Portal has now been enabled to allow taxpayers to file Appeal applications (APL 01) against SPL 07 (Rejection) Order. The below navigation should be used to file appeal application against SPL-07 orders:

- Go to: Services → User Services → My Application
- Select Application Type as: 'Appeal to Appellate Authority'
- Click on New Application

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English

GST APL-01: Appeal to Appellate Authority

GSTIN/Temporary ID/UIN - Legal Name - Trade Name -

Address -

Order Type •

Select

Select

Enforcement Order

Assessment -Demand Order

Registration Order

Others

Refund Order

Assessment Non-Demand Order

LUT Order

Manual Order

Waiver Application Rejection order(SPL07)

Order No. •

SEARCH

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In the application form, under Order Type, select: 'Waiver Application Rejection Order' and enter all the relevant details. After entering the details, please proceed with filing of appeal.

It may be noted that the option to withdraw appeal applications filed under the waiver scheme is not available on the GST portal. Taxpayers have therefore been advised to exercise due caution while filing such appeals.

Also, if any taxpayer does not want to file appeal against 'waiver application rejection order' but wants to restore the appeal application (filed against original demand order) which was withdrawn for filing waiver application, can do so by filing undertaking. The option for filing of undertaking is available under 'Orders' section in 'Waiver Application' case folder.

In case of any difficulty or technical issue, taxpayers may raise a ticket on the GST helpdesk at <https://selfservice.gstsystem.in>.

Please [Click Here](#) to read the advisory dated 16 July 2025 issued by GSTN.

Direct tax



Direct tax

Gross Direct Tax collection for Financial Year (FY) 2025-26 (upto 10 July 2025) is Rs 6.65 lakh crore, 3.17% higher than gross collection for corresponding period last year

The Central Board of Direct Taxes (CBDT) has released the following statistics:

For the period 1 April 2025 till 10 July 2025	Amount (Rs.)	Remarks
Gross direct tax collection	Rs 6.65 lakh crore	3.17% higher than gross collection for corresponding period last year
Net direct tax collection (after adjustment of refunds)	Rs 5.63 lakh crore	1.34% lower than net collection for corresponding period last year
Refunds issued	Rs 1.02 lakh crore	38.01 % higher than refunds issued for corresponding period last year

Please [Click Here](#) to read the Press Release dated 10 July 2025.



Union Finance & Corporate Affairs Minister presides over the 166th Income-tax Day celebrations at Delhi

The Union Minister of Finance & Corporate Affairs Smt. Nirmala Sitharaman presided over the 166th anniversary of Income-tax Day observed by Central Board of Direct Taxes in New Delhi on 25 July 2025. The Finance Minister extended her best wishes to the Income-tax Department on the occasion of the 166th Income-tax Day. She also congratulated the Department for its commendable work in efficiently drafting the New Income-tax Bill, 2025 within the stipulated timeline. She appreciated that the Department is actively addressing the recommendations received from the Select Committee. She noted that the use of simplified language in the Bill marks a significant shift in making the provisions easier to understand, reducing the potential for misinterpretation and enhancing taxpayer-centricity and compliance.

She commended the Department's agility and its readiness to embrace reform, which has led to a number of transformative initiatives over the past 5 years, including:

- Introduction of the Faceless Assessment system to promote transparency and accountability
- Implementation of the Taxpayer Charter, reinforcing the rights of taxpayers
- Adoption of cutting-edge technology such as pre-filled returns, which has improved convenience and enabled faster refunds
- Launch of the Vivad se Vishwas scheme to resolve long-standing tax disputes
- Use of data analytics and targeted nudge campaigns to address tax evasion
- The drafting and introduction of the New Income-tax Bill, 2025

These initiatives, she noted, have contributed to building a non-adversarial tax environment and increasing public confidence in the system. The Income-tax Department has consistently demonstrated a high level of professionalism in the service of the nation.

Looking ahead, Smt. Sitharaman emphasised the importance of continuing this momentum. She urged the Department to focus on 5 key priorities, as identified during the Principal Chief Commissioners' Conclave held in June 2025:

- Accelerate the disposal of disputed demands pending before the Faceless Appellate Authority
- Identify and withdraw appeals falling below the prescribed monetary thresholds within the next 3 months
- Ensure timely processing of refunds and prompt resolution of taxpayer grievances
- Analyze grievances to understand root causes of pendency and develop actionable strategies
- Regularly review performance indicators, particularly those related to grievance redressal and implementation of appellate orders

The Union Finance Minister reaffirmed the potential for further technological advancements to enhance consistent and efficient service delivery. She concluded by encouraging the Department to reaffirm its duty to serve taxpayers with fairness, empathy and professionalism, earning public trust not just through policy but through conduct.

Please [Click Here](#) to read the Press Release dated 25 July 2025.

Consequences of not linking Permanent Account Number (PAN) with Aadhaar – Relaxation given by the Central Board of Direct Taxes (CBDT) to deductors / collectors of tax at source on transactions with parties whose PAN is inoperative

Background

As per the Income-tax Act, 1961, every person who has been allotted a PAN as on 1 July 2017 and is eligible to obtain Aadhaar Number, was required to intimate his Aadhaar to the tax authorities on or before 30 June 2023, on payment of a prescribed fee. Failure to do so was supposed to attract penal repercussions under the Act. Certain categories of taxpayers were exempt from this requirement (such as non-residents, senior citizens, etc.).

From 1 July 2023 onwards, the PAN of taxpayers who failed to intimate their Aadhaar would become inoperative and penal consequences would follow during the period that PAN remains inoperative. One of these penal consequences was, tax would be required to be deducted / collected at source at higher rate as per the Act, on transactions with such taxpayers.

Relaxation provided by CBDT on 21 July 2025

Reportedly, CBDT had been receiving grievances from tax deductors / collectors that they have received notices alleging short deduction / collection of tax at source while doing transactions with parties whose PAN became inoperative due to not linking PAN with Aadhaar. In such cases, since tax deduction / collection was not made at higher rate, demands were raised by the Income-tax department on such deductors / collectors.

To address the above issue, CBDT has relaxed the requirement by specifying that there shall be no liability on deductor / collector to deduct / collect tax at higher rate u/s 206AA / 206CC of the Act where:

- Transactions are entered into after 1 April 2024 to 31 July 2025, and the PAN is made operative (as a result of linking with Aadhaar) on or before 30 September 2025.
- Transactions entered on or after 1 August 2025 and the PAN is made operative (as a result of linking with Aadhaar) within two months from the end of the month in which transaction takes place (i.e, amount is paid or credited).

Implications as a result of relaxation provided by CBDT

If any deductor / collector of tax at source has received notice from the Income-tax department due to this reason, it is advisable to promptly ensure that the respective party whose PAN is inoperative, is asked to link its PAN with Aadhaar, latest by 30 September 2025. For transactions from 1 August 2025 onwards, deductors / collectors of tax at source should ensure that the deductee / collectee links its PAN with Aadhaar as soon as possible.

Please [Click Here](#) to read Circular no. 9 dated 21 July 2025.

Income-tax department cracks down on bogus claims of deductions & exemptions

In a significant move to curb tax evasion, the Income-tax department launched a large-scale verification drive on 14 July 2025, targeting individuals and entities suspected of claiming fraudulent deductions and exemptions in their Income Tax Returns (ITRs). This operation, conducted across 150 locations in states including Maharashtra, Tamil Nadu, Delhi, Gujarat, Punjab and Madhya Pradesh, is aimed at dismantling organized rackets that facilitate inflated or fictitious tax refund claims—often through unauthorized intermediaries and ITR preparers.

The department's action follows a detailed analysis of financial data sourced from third parties, ground-level intelligence inputs and advanced artificial intelligence tools. Investigations have revealed that certain ITR preparers and intermediaries have been operating in a coordinated manner, filing ITRs that misuse various beneficial provisions under the Income-tax Act, 1961. Alarmingly, these schemes even involve filing false TDS returns to claim excessive refunds, with preparers using temporary email IDs to submit bulk returns—leaving the actual taxpayer unaware of notices issued by the department.

Key provisions of the Income-tax Act that have been misused include deductions u/s 10(13A), 80GGC, 80E, 80D, 80EE, 80EEB, 80G, 80GGA and 80DDB. Claims were made without proper documentation or eligibility and a wide segment of the taxpayer base—ranging from employees of multinational corporations, PSUs, government bodies, academic institutions, to private entrepreneurs—has been found to be involved. Many taxpayers were reportedly misled by intermediaries promising inflated refunds in return for a commission, with little awareness of the legal risks involved.

Despite having a robust and fully digitized tax filing system, the department observed that a major challenge remains ineffective communication with taxpayers who rely entirely on third-party agents. In many cases, these agents abandon communication after filing the return, resulting in notices and advisories going unread. To tackle this, the department undertook extensive outreach over the past year through emails, SMS alerts and physical awareness programs, urging taxpayers to revise incorrect ITRs and ensure compliance. As a result of these efforts, nearly 40,000 taxpayers have voluntarily updated their returns in the last four months, withdrawing false claims aggregating to Rs. 1,045 crore.

However, a significant number of taxpayers remain non-compliant, often under the influence of the masterminds behind these evasion networks. With the current verification drive underway, the department is expected to collect crucial evidence, including digital records, to aid in legal action. Going forward, the department has made it clear that continued non-compliance will attract stern consequences, including penalties and prosecution wherever applicable.

Taxpayers have once again been strongly advised to file ITRs based on accurate disclosures of income and valid documentation and to refrain from following advice from unauthorized agents or intermediaries. The department has reiterated its commitment to the principle of 'Trust Taxpayers First' while also emphasizing that misuse of this trust will not go unchecked. The ongoing crackdown is a clear demonstration of the department's evolving strategy — blending technology, intelligence and enforcement — to strengthen compliance and safeguard the integrity of the Indian tax system.

Please [Click Here](#) to read Press Release dated 14 July 2025.

Direct tax

Tax exemption u/s 10(23FE) of the Income-tax Act, 1961 on income arising to specified Sovereign Wealth Funds (SWFs) & Pension Funds (PFs) - CBDT extends sunset date of investments from 31 March 2025 to 31 March 2030

Background

Section 10(23FE) of the Income-tax Act, 1961 provides tax exemption to certain specified foreign funds that invest in infrastructure entities in India on income like dividend, interest and long term capital gains arising from investment in infrastructure in India made between 1 April 2020 to 31 March 2025 subject to fulfilment of certain conditions. The exemption is applicable to following categories of foreign investors:

- SWFs
- PFs
- Any other fund as notified by the Government

To claim the tax exemption, the investment must be:

- In the form of debt or equity
- Made in specified Indian infrastructure entities such as Category-I or Category-II Alternate Investment Funds (AIFs), Infrastructure Investment Trusts (InvITs), or companies engaged in the business of developing, maintaining, or operating infrastructure facilities
- Held for a minimum duration as prescribed (usually 3 years or more)

The Finance Act, 2025 has extended the time limit for making eligible investments u/s 10(23FE) by 5 years, i.e., from 31 March 2025 to 31 March 2030.

CBDT has issued a series of notifications u/s 10(23FE) to give effect to the extended time limit. These notifications expressly permit eligible funds to make qualifying investments in India up to the revised time limit of 31 March 2030.

Please [Click Here](#) to read the Notification nos. 74 to 113 dated 11 July 2025.

Direct tax

Scope of capital gains tax exemption u/s 54EC of the Income-tax Act, 1961 on transfer of land / building extended to investment in bonds issued by the Indian Renewable Energy Development Agency (IREDA)

Background

Section 54EC of the Income-tax Act allows exemption from capital gains tax on transfer of land / building, if the proceeds are invested in a 'long term specified asset'. 'Long term specified asset' for this purpose currently means bonds issued by

- National Highways Authority of India (NHAI) or Rural Electrification Corporation Limited (RECL) on or after 1 April 2018, or
- Housing & Urban Development Corporation Limited (HUDCO) issued on after 1 April 2025 and redeemable after 5 years

Notification no. 73/2025 issued by CBDT on 9 July 2025

CBDT has included within the list of 'long term specified asset', bonds issued by IREDA on or after 9 July 2025 and redeemable after 5 years. IREDA shall utilise the proceeds from such bonds only for those renewable projects which can service the debt out of the project revenues without being dependent on the State Governments for the service of debts.

Please [Click Here](#) to read Notification no. 73/2025 dated 9 July 2025.

Long term Capital Gains – Central Board of Direct Taxes (CBDT) notifies '376' as Cost Inflation Index (CII) for FY 2025-26

CBDT vide Notification no. 70 dated 1 July 2025 has notified 376 as CII for FY 2025-26. If a long-term capital asset is transferred, the capital gains is computed after deducting the indexed cost of acquisition (instead of just cost of acquisition) to give the benefit of inflation to a taxpayer. Such indexation of cost of acquisition is done on the basis of CII. The base year for which CII is 100 is FY 2001-02.

Please [Click Here](#) to read the Notification no. 70 dated 1 July 2025.

CBDT provides clarity on waiver on levy of interest for failure to deduct / collect tax at source & pay to the Government

Background

Section 201(1A) of the Income-tax Act provides for levy of interest on account of failure to deduct or pay tax at source to the credit of the Central Government by the deductor. Similarly, section 206C(7) of the Act provides for levy of interest on account of failure to collect or pay the collected tax to the credit of the Central Government by the collector.

Reportedly, representations were received by CBDT that while making payments of above tax to the credit of the Central Government, taxpayers have encountered technical glitches wherein, while the payment is initiated by the taxpayer and the amounts are debited from their bank accounts on or before the due date, the actual credit to the Central Government is done after the due date. In such cases, notices were received by such taxpayers for levy of interest u/s 201(1A)(ii) / 206C(7) of the Act, even though they were at no fault.

Consequently, vide Circular no. 5/2025 issued on 28 March 2025, CBDT authorised the Chief Commissioner of Income-tax / Director General of Income-tax to reduce / waive interest charged u/s 201(1A)(ii) / 206C(7) of the Act in the class of cases where;

- The payment is initiated by the taxpayers and the amounts are debited from their bank accounts on or before the due date, and
- The tax could not be credited to the Central Government before the due date because of technical problems beyond the control of the taxpayer

Even if the interest u/s 201(1A)(ii) / 206C(7) has already been paid by the taxpayer, the same can be considered for waiver and a refund may be given to the taxpayer, if waiver is ordered.

Further, it was stipulated that no application for waiver shall be entertained beyond 1 year from the end of the FY for which the interest is charged. The time limit for disposal of application is 6 months from the end of the month in which the application is received. The order issued by Chief Commissioner of Income-tax / Director General of Income-tax shall be final and no petition against the order shall be entertained by CBDT.

Circular no. 8/2025 issued by CBDT on 1 July 2025

CBDT has clarified the following:

- The Chief Commissioner of Income-tax / Director General of Income-tax are empowered to pass waiver orders on or after the date of issuance of Circular No. 5/2025 (i.e., 28 March 2025)
- Applications for interest waiver can be filed within one year from the end of the FY in which the interest was charged. For instance, if the interest charged pertains to FY 2023-24, the application for waiver of such interest can be filed by 31 March 2025 i.e. 1 year from the end of FY 2023-24.
- It has been clarified that interest charged even prior to 28 March 2025 can also be considered for waiver, provided the application is made within the permitted time limit stated above

Please [Click Here](#) to read Circular no. 8 / 2025 issued by CBDT on 1 July 2025.

International tax



International tax

Supreme Court's decision in case of Hyatt International Southwest Asia Ltd. - Administrative or operational control, even from a shared or temporary premise, is sufficient to constitute 'Permanent Establishment' (PE) & trigger tax liability in India for foreign companies

In a landmark ruling on July 24, 2025, the Supreme Court of India held that a foreign entity can be taxed in India if it carries on business through a fixed place of business, even on a temporary or shared basis. The Supreme Court rejected Hyatt International Southwest Asia Ltd.'s appeal, confirming its Income-tax liability in India under the India–UAE Double Taxation Avoidance Agreement (DTAA). The main principles enunciated by the Supreme Court include the below:

- Exclusive possession or ownership of a fixed place is not a mandatory requirement for establishing a Permanent Establishment (PE) under Article 5(1) of the India–UAE DTAA
- Administrative or operational control, even from a shared or temporary premise, is sufficient to constitute a PE and trigger tax liability

Please [Click Here](#) to read Supreme Court's decision dated 24 July 2025 in case of Hyatt International Southwest Asia Ltd.



Corporate Law & Regulatory



Corporate Law & Regulatory

Corporate Social Responsibility (CSR) - Ministry of Corporate Affairs (MCA) introduces revised format of Form CSR-1 as a web based form

Background

CSR Form-1 is a mandatory registration form for entities intending to undertake CSR activities in India, effective from 1 April 2021 onwards. It is designed for entities that wish to receive CSR funding from corporations. It serves as a registration form for organisations such as NGOs, trusts and Section 8 companies, to ensure they are eligible to undertake CSR activities on behalf of companies. The form is part of the compliance requirements under the Companies Act, 2013. The purpose of the form is to bring transparency and accountability in CSR project execution, create a centralized registry of eligible CSR implementing agencies and enable monitoring of fund utilization and project outcomes.

Notification dated 7 July 2025 issued by MCA

MCA has introduced a revised format of e-Form CSR-1, now available as a web-based form on the MCA21 portal, effective from 14 July 2025 onwards. The new form replaces the earlier PDF-based filing system.

Please [Click Here](#) to read Notification dated 7 July 2025 issued by MCA.

MCA issues Frequently Asked Questions (FAQs) on 3rd & final set of 38 company e-forms on V3 portal

Last month, MCA announced the launch of final set of 38 company e-forms (including 13 annual filing forms and 6 audit / cost audit forms) on the V3 portal, which are available for filing from 14 July 2025 onwards. Towards facilitating a smooth transition from V2 to V3 portal, MCA has now issued a comprehensive list of 62 FAQs covering key aspects such as the list of migrated forms, process for filing (online / offline), linked forms and sequence of submission, handling of errors and validation rules, important timelines and transition support.

Please [Click Here](#) to read the FAQs dated 7 July 2025 issued by MCA.

Please [Click Here](#) to access the list of above 38 company e-forms.

Corporate Law & Regulatory

Reserve Bank of India (RBI) - Extension of due date for filing Foreign Liabilities & Assets (FLA) return for FY 2024-25 from 15 July 2025 to 31 July 2025

Any company or limited liability partnership in India that has received Foreign Direct Investment (FDI) or made overseas investments in any year, is required to file FLA return with the Reserve Bank of India (RBI) latest by 15 July of every year for the preceding FY. The said date has been extended for FY 2024-25 from 15 July 2025 to 31 July 2025.

Food Safety & Standards Authority of India (FSSAI) – Mandatory submission of Closure Report on expiry of license / registration

Till now, Food Business Operators (FBOs) whose FSSAI license / registration got expired, were not required to undertake any further action on the Food Safety Compliance System (FoSCoS) portal (to report expiry) unless they intended to opt for renewal or reapplication.

It has now been made mandatory for all FBOs whose license or registration has expired (starting FY 2024-25 onwards) to submit a Closure Report on the FoSCoS portal. This report must confirm that no food business activity is being conducted at the premises linked to the expired license, state whether a new license / registration has been obtained and also provide reasons for non-renewal, if applicable.

Operating with an expired license will now be treated as a violation of section 31 of the Food Safety and Standards Act, 2006, and may attract a penalty of up to Rs. 10 lakh u/s 63. FBOs will now receive automatic emails titled 'Notice for closure of food business' from FoSCoS after expiry of license. FBOs have been advised to ensure that their email id is updated on the portal. A detailed user manual has also prescribed by the FSSAI to assist in filing the Closure Report by FBOs.

Please [Click Here](#) to read the Order dated 16 May 2025 issued by FSSAI along with the detailed user manual.

Compliance calendar

Compliance calendar for the month of August 2025

Compliance Due Date	Concerned (Reporting) Period	Compliance Detail	Applicable To
7 th August	July 2025	TDS / TCS deposit	Non-Government Deductors
		Equalization Levy deposit	All Deductors
10 th August		a) GSTR-7 (TDS return under GST)	a) Person required to deduct TDS under GST
		b) GSTR-8 (TCS return under GST)	b) Person required to collect TCS under GST
11 th August		GSTR-1 (Outward supply return)	a) Taxable persons having annual turnover > Rs. 5 crores in FY 2024-25 b) Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2024-25 and not opted for Quarterly Return Monthly Payment (QRMP) Scheme
13 th August		GSTR-6 [Return by input service distributor (ISD)]	Person registered as ISD
		GSTR-5 (Return by Non-resident)	Non-resident taxable person (NRTP)
		Invoice Furnishing Facility - IFF (Details of outward supplies of goods or services)	Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2024-25 and opted for QRMP Scheme
15 th August		Deposit of PF & ESI contribution	All Deductors
	April-June 2025	Issue of TDS Certificate in Form 16A (other than salary)	All Deductors
20 th August	July 2025	GSTR-3B (Summary return)	a) Taxable persons having annual turnover > Rs. 5 crore in FY 2024-25 b) Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2024-25 and not opted for QRMP scheme
		GSTR-5A [Online Information Database Access and Retrieval (OIDAR) services return]	OIDAR services provider
25 th August		Form GST PMT-06 (payment of tax for QRMP filers)	Taxable persons having annual turnover ≤ Rs. 5 crore in FY 2024-25 and opted for QRMP scheme.

About KrayMan

KrayMan Consultants LLP (KrayMan) is an accounting & consulting Firm headquartered in Gurugram & serving Clients across India for more than 13 years.

We were founded in 2012 by professionals from Big 4 accounting firms & industry background. We are a team of Chartered Accountants, Company Secretaries, Advocates & MBAs.

We specialize in India-Entry, Accounting, Taxation, Legal, Regulatory, Assurance, HR, Payroll, Loan staffing and Global Capability Center services. We provide services in the areas of Compliance, Advisory & Litigation.

We have been serving Domestic as well as International Clients from countries like USA, Japan, Australia, EU etc.

We have been Awarded under the category 'Small Business Award 2021' by the International Business Council of Australia. We are an ISO/IEC 27001:2022 compliant Firm.

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